are not to be transferred beyond the language area;

(b) if so, the reasons for South India based private banks like Vysya Bank Ltd. posting clerks to Delhi and parts of North India and steps taken to discontinue the practice; and

(c) whether no member of the central committee of Vysya Bank employes union is to be transferred from his/her place of posting, if so, the reasons for not honouring the agreement between the bank and the employees union and steps Government propose to take to enforce the agreement?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Para 536 of the Sastry Award provides that "in the case of workman not belonging to subordinate staff, as far as possible, there should be no transfer outside the State or the language area in which an employee has been serving , except, of course with his consent".

(b) and (c) Govt. of India is not responsible for management functions like transfer etc. in private banks, such as Vysya Bank Ltd.

Private Finance Recovery Agencies

2963. SHRI JOHN F. FERNANDES: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of mushrooming "Private Finance Recovery Agencies" throughout the country, despite there being no law to establish such agencies;

(b) if so, how many such agencies are operating in the country, State-wise;

(c) whether to stop the menace of extortion and high-handedness and at times, their taking law in their own hands by bypassing legal practices Government intends to pass legislation and legalise these agencies; and

(d) if so, by when?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) to (d) RBI's information reporting system does not generate information in the manner asked for. However, on the basis of some complaints received against a foreing bank in 1997 regarding use of private collection agents and the use of muscle power by such agents for collection of dues, the RBI had called for a report from the Bank. The Bank is reported to have denied the use of muscle power and advised that the follow-up and collection of dues is done by their 'Authorised Business Associates' which is within the parameters of law.

Imposition of direct Tax Laws in Sikkim

2964. SHRI PRANAB MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether the Chief Minister of Sikkim has urged the Central Government to adjourn all pending cases relating to imposition of Direct Tax Laws in the State till the matter was resolved; and

(b) if so, the detaitls thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Yes,Sir.

(b) In a memorandum handed over by the Chief Minister of Sikkim to the Prime Minister on 29.6.98, it was requested that the provisions of Income-tax Act should not be made applicable to Sikkim as it amounts to violation of Article 371 F of the Constitution. Alternatively, he has requested that the Indians of Sikkimese origin as identified vide Sikkim Citizenship Orders, 1975 may be exempted from the purview of the Income Tax Act, 1961 leaving them to pay tax under the purview of the Income Tax Act, 1961 leaving them to pay tax under the State Tax Laws. It is also requested that till such time the matters is resolved, the Ministry of Finance be